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NSC BRIEFING

27 April 1955

IMPACT OF AUSTRIAN SETTLEMENT

- I. Austrians will seek four-power guarantee of inviolability and integrity of Austrian territory and four-power recognition of separate Austrian declaration of neutrality.
 - A. Chancellor Raab believes "Swiss type" neutrality would only preclude Austria from participating in military alliance or permitting foreign troops on her soil; would not exclude Austria from such organizations as Coal-Steel community.
 - B. Austrians cannot be expected to cooperate with any Western tactics which might be interpreted as stalling progress on the treaty.
 1. USSR's willingness to make economic concessions will greatly strengthen Austrian Socialists' program for nationalization.
 2. Socialists selected for glad-hand treatment during Moscow talks; called "Tovarich" as opposed to more formal "Gospodin" used for other delegates.
 3. As result concessions, Socialists can no longer be depended on for their usual resistance to Soviet pressure.
- II. Austrians apparently willing accept unilateral Soviet territorial guarantee if West does not approve idea of four-power guarantee.

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- A. Moscow has shown more interest in Austrian neutrality declaration than four-power territorial guarantee.
- B. Soviet view that four-power guarantee should be simple "declaration" that Austria's territorial frontiers and sovereignty are inviolable.
- C. When Ambassador Bohlen queried Molotov on guarantee, he said subject was matter for four-power discussion.
- D. Ambassador Bohlen has emphasized that unilateral Soviet guarantee would give Soviets pretext for intervention and imply semi-protectorate status for Austria.

III. Most important question; what is impact on German rearmament:

- A. Bundestag leaders feel that Austrian settlement will cause initial upsurge in West German neutrality sentiment.
- B. Austrian settlement, however, did not affect results of 26 April state elections in lower Saxony; followed pattern of other state elections in 1954.
 - 1. No apparent shift away from Adenauer policies; on contrary, parties of Adenauer's federal coalition combined polled higher percentages of vote than in any previous election in Lower Saxony; 59 percent as compared with 50.3 percent in 1951 Landtag elections and 54.8 percent in 1953 Federal elections.

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2. Social Democrats introduced Austrian settlement into last stages of campaign but polled only 35.2 percent of vote as compared with 33 percent in 1951 and 30.0 percent in 1953.
3. Issues in this election essentially local. Are watching for longer term effects on West German anti-rearmament and neutralist sentiment.

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B. We [redacted] see action as dramatic

move to:

1. Give Moscow more time to work against West German rearmament.
2. Stimulate independent Bonn foreign policy following restoration of sovereignty.

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